DEFENSE FINANCE AND ACCOUNTING SERVICE

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MAR 11 1999

MEMORANDUM FOR DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE
CLEVELAND CENTER
DIRECTOR, DEFENSE FINANCE AND ACCOUNITNG SERVICE
DENVER CENTER
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE
INDIANAPOLIS CENTER
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE
KANSAS CITY CENTER

SUBJECT: Interim Change to the DoDFMR, Volume 7C Use of Generic
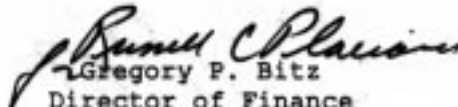Component of Pay (COP) codes (DFAS Item Number I-1)

Attached is DFAS Interim change C2-99 to add Chapter 9 to
the DoDFMR, Volume 7C.

This change is in response to DoDIG Audit 6FD-2015, which
found that the use of the generic COP codes was not adequately
controlled or monitored. The audit report recommended that COP
codes IS, IT and W7 be used only when an actual COP code does
not exist.

We have evaluated your comments on the draft proposal of
this change to the DoDFMR, Volume 7C. The attached final
version of the change incorporates your comments where
appropriate.

Assignment of an interim change number is your authority to
start a procedural modification to facilitate this change. For
the Denver Center, use the attached to initiate the formal
printed change to the DoDFMR and the interim change message.

My point of contact, LCDR Pat Stansfield, may be contacted
at DSN 327-5058 or (703) 607-5058. Our FAX number is DSN 332-
5271 or (703) 602-5271.

Gregory P. Bitz
Director of Finance

Attachment: 2
As stated:

cc: DASD (MPP) (Comp)
      ODGC (F)
      DFAS-DE/DG
      Service Liaisons
      USCG/NOAA/PHS Liaisons
      DFAS-PMO

Component Of Pay (COP) Code

Volume 7C

1. Insert a new chapter to read as follows

CHAPTER 9 QUALITY ASSURANCE AUDIT PROCEDURES FOR RC PAYROLL OFFICE

0801. <u>RESPONSIBILITIES.</u> Reserve component payroll offices are required to establish a quality assurance program to ensure computations of pay and allowances are accomplished in accordance with regulatory guidance. Input sources are responsible for monitoring the use of generic components of pay (Component of Pay (COPS) IS, IT and W7) and establishing standards for how often the generic COPS will be monitored as well as procedures for reporting continued misuse of the generic COPS. Input sources are responsible for ensuring a TIN D I 8, message transaction, is input when a generic COP is used on a D02 transaction. The D 1 8 must identify the purpose of the generic COP.

0802. <u>PROCEDURES.</u> Component of Pay (COP) codes IS, IT and W7 are used only when an actual COP code does not exist. Do not use one of these codes in lieu of an existing code. The DI 8 transaction is used to add information, such as audit trail, or to explain an action being taken. A DI 8 will be input when a generic component of pay (COPs IS, IT or W7) is used on a D02transaction. TheDl8mustidentifythepurposeofthegenericCOP. TheDl8poststothe member's MMPA and provides an audit trail for generic COPS. It does not print on the member's LES.